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AUTHOR Ocasek, Oliver
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ABSTRACT

Citizens at the local and State levels can no longer meet the budgetary needs of schools. The most powerful alternative resource is the Federal Government. However, Federal funds are encumbered by a plethora of restrictions, riders, rebates, and redundancies, and as it now exists, Federal aid bypasses what is perhaps the most important element in education -- the classroom teacher. The NEA supports Federal legislation, such as the General Federal Assistance Act, that would provide general aid to States. This bill distributes to the States $100 per school child, half of which sum must be allocated to increasing teacher salaries. Such a plan preserves local control in education and puts Federal aid where it is needed most -- in the general operating budget. (RA)

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THE RATIONALE FOR GENERAL FEDERAL AID TO EDUCATION

Address of Oliver Ocasek,
Member of the Legislative Commission
National Education Association, and
Member of the Ohio State Senate,
before the Conference on School Finance,
San Francisco, April 5, 1970

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In Youngstown, Ohio, schools closed for a month last year. Asked why, William E. Henry, director of information services for the Ohio Education Association, said, "It's far better to operate schools 'right' for at least part of the year, close them down when the money runs out, and then reopen them when sufficient funds become available to enable us to continue to do a professional job. This is actually more responsible than operating a substandard program for a full year and letting taxpayers fool themselves into thinking that education is taking place."

In Waterford, Michigan, Mrs. Sharon Swindell, a 29-year-old Pontiac Motors production worker heads a local group called WHAM -- Waterford Homeowners Against Millage. The group is trying to persuade voters to reject a request for additional tax levies to keep their schools open full-time. "It's not that we don't want good schools," insists Mrs. Swindell, "but we've had it up to here with taxes. They're trying to draw blood from a turnip that's been drained dry."

Although Ohio educators and Michigan citizens have used unorthodox methods to solve the financial crises facing their schools, the situation they face is not unique. School systems throughout the country are in similar financial distress. The National Education Association reports schools in trouble in California, Colorado, Illinois, Indiana, Oklahoma, Pennsylvania, Kentucky, and New Jersey. Many more should probably add their names to the list.

Citizens at the local and state level can no longer cope with the swelling budgetary needs of our schools. The tax base is near exhaustion, and the taxpayers are in revolt. The charge that state tax resources are not being used to their fullest extent is a myth. All but five states have a sales tax ranging as high as six percent. All but 12 states have enacted personal income taxes, and all but six states have corporate income taxes. Every local government has a property tax. Through September of 1969, 36 state legislatures raised tax rates. Twelve raised individual income rates; 14 raised corporate income rates; 12 raised sales taxes; 14 motor fuel;

19 tobacco; 16 alcohol. In the 1969-70 school year, 93.4 percent of money for school revenue was raised from state and local sources.

Taxpayers are neither willing, nor able to pay more; last year 55 percent of school bond issues failed. For the second quarter of 1969 ending June 20, the Investment Bankers Association reports that only 25 percent of money requested in bond issues won the voter approval. State and local taxpayers have thrown in the gauntlet. They are now turning, with even greater need, to the only resource left -- the federal government.

For more than a century, NEA has been a champion of federal aid to education. As far back as 1884 the NEA was supporting such "modern" concepts as equalizing grants which provide money to the states on the basis of need. It was an NEA bill drafted in 1866 which created a non-Cabinet Department of Education. The NEA has also helped create the climate for passing such landmark legislation as land grants to colleges in the Morrill Act, aid to vocational education in the Smith-Lever and Smith-Hughes Acts, and educational training benefits in the "G. I. Bill of Rights."

But all NEA efforts have not met with such success. In the late 1940's, for example, educators vigorously supported the late Senator Robert Taft in the belief that the federal government has a responsibility to provide enough funds to the states so that every child would receive a sound educational opportunity regardless of where he lived. The Senator argued that the right to a good education is the basis for our republican form of government and the American concept to equal opportunity. He believed that no government that depends on decision-making by the people can exist without an educated populace, and no child can have an equal opportunity without a basically sound education. In matters affecting education," he said, "I do not believe the Federal Government can say it has no interest, and can say to the people, 'Go your way and do the best you can.' ...Because of the way wealth is distributed in the United States, I think we have a responsibility to see if we can eliminate hardship, poverty, and inequality of opportunity to the best of our ability. I do not believe we can do it without a federal aid system." In the 1940's the NEA also backed efforts led by former Senator Lister Hill to earmark the

income from off-shore oil for education. Unfortunately both efforts failed. In the late 1950's an upsurge of interest centered around the Murray-Metcalf bill which would have provided $25 per child (rising to $100 per child) to the states to use to equalize the cost of school construction and teachers' salaries. This proposal also died.

However, in 1965 education made its first major breakthrough to federal aid with passage of the Elementary and Secondary Education Act, which reaffirmed that the federal government has a stake in education. But just how large a stake that should be is still under debate.

Educators think they have the answer. The NEA has for many years believed that federal, state and local governments should share equally in supporting the public schools -- no one group should be disproportionately taxed. This is certainly far from true today. In the school year ending in 1970, the federal support for public education was 6.6 percent, the state share 40.7, and the local share 52.7. While straining under an already burdensome load, state support of schools increased by 12.8 percent, and local share by 10.7. Yet the federal government, with a galloping Gross National Product of $1 trillion, backed off from its responsibility at the time when its help was needed most. In 1970 the federal share for public education declined one percent.

We cannot possibly keep pace with our rapidly growing school system, or even talk about improvement without substantially increased funding. Money alone will not solve the problem, but none can be solved without it. These funds must come from the federal government, the only body with taxing authority to supply the money in sufficient amounts. Although we have billions of dollars authorized for education purposes, we've never really put our money where our legislation is. Since the establishment of ESEA, Congress has consistently underfunded all major education programs, sometimes by more than 50 percent. This leads to nothing but failure of the federal programs, and further Congressional reluctance to provide more money.

Since the passage of ESEA we have had time to sit back and take stock of where

we have come. We see that federal aid to education has proliferated into a hundred categorical programs. There is one for textbooks, one for equipment, and still another for libraries. These are vital needs, and we support them, but nowhere is there a category for solving the number one problem in education: a critical shortage of highly qualified teachers. You can buy the best equipment in the world, put it in the newest classroom, but if you don't have good teachers to use them and to motivate the students too, you have plugged the dike at the weak points but you have not supported the structure that holds the dike together. The needs of the school can no longer be met in piecemeal attacks, nor by ignoring the most important element in that school - the teacher.

In 1967, two years after ESEA, the National Education Association set up a task force appointed by NEA's Legislative Commission and the Committee on Educational Finance to investigate the best way the federal government could aid elementary and secondary schools. This was to be a way of reviewing existing programs and charting the course for new ones. After several months of study, the task force came up with a number of conclusions.

First of all, the task force concluded, the federal government can contribute greatly to elementary and secondary education. It brings a broad perspective to the local-state-federal partnership. Goals such as continued economic growth, full employment, and full civil rights are national in character, and better education is the first step in achieving them. Secondly, the federal government can tap resources vastly greater than those available to any local and state governments. And it is also unhampered by the fears of losing such taxpayers to low tax areas. Lastly, the federal government, working on such a large scale, can develop and research programs which would have common educational value to all the states.

But there are inherent limitations to the federal role. While education is the only concern of local boards of education, and is a major concern to the state governments, it is only one of many interests on the federal level. Also the federal government, which is the farthest removed from the classroom where teaching

and learning occur, is least able to recognize and provide specifically for the different educational needs of the different communities.

With these thoughts in mind, the task force set forth criteria that it believed should govern federal grants to public schools.

1. The major contribution of the federal government should be financial and in the form of general aid to the states for improving educational opportunity. NEA believes that the primary responsibility for education should and does rest with the states, not the federal government. Therefore the federal role in education should be limited primarily to giving states the money to spend as they see best in accordance with localized needs.

2. The federal share of fiscal support of elementary and secondary schools, when combined with state and local tax resources should be sufficient to provide adequate educational facilities in all state and local school systems.

This means that to provide equal opportunity for all children, some states must receive more money than others. There is no one answer to all problems.

3. The amounts of federal funds to which individual states or local school districts are entitled should be determined by objective formulas, reducing to a minimum the discretionary authority of federal officials. This formula should recognize the wide variation in the states' ability to finance education.

In Alabama, for example, the average per pupil expenditure in 1969-70 was about $400, while in some eastern states the figure was over a thousand. Each child has the right to a good education no matter where he lives, and federal legislation is the only way to compensate for regional inequalities.

The fear has been expressed that massive federal aid would result in the states and local communities decreasing their efforts to support education from tax revenues available to them. Experience has shown us that this is not true. In fact, federal aid encourages rather than retards state and local efforts. Since 1965-66 the increase in state and local school funding has been more than 17 times the increase in federal school revenues.

With this philosophy for a base, the NEA authored a bill to provide a new kind of government assistance: general federal aid to all school districts. Introduced by Rep. Carl Perkins (D-Ky.) and Rep. Edith Green (D-Ore.), the bill is called the "General Federal Assistance Act."

By current estimates, the bill would supplement existing federal education programs by about $8 billion. First, it provides $100 per school age child age five to 17 to be distributed to the states on a per capita basis. At least half this money must be used to increase teachers' salaries, while the remainder may be used by the states to meet other urgent needs as they define them. The entire basic sum, about $5.2 billion in 1969-70 could be used for teachers' salaries, but only 50 percent need be. The bill also provides an additional $2.5 billion in the form of a supplemental grant to be distributed to the states on the basis of need.

To the extent consistent with law, the bill would allow private schools to take advantage of the federal program through the use of shared class time, use of instructional materials, use of certain supplementary services such as mobile class rooms, health services and counseling.

The program would also be simple to administer. All funds are distributed to the states by the U.S. Commissioner of Education, and to apply, the state need only provide that one half of the formula-granted money will be used for increasing teachers' salaries. All applicants must also provide that federal funds will be kept separate from state funds. There is a provision for judicial review, and the Commissioner of Education may withhold funds after a hearing if he determines that a state fails to comply with the provision of its own application.

The NEA General Aid Bill is an attempt to provide money where educators think it is needed most. Research over the last thirty years has shown that student achievement is strongly related to teachers' salaries, the amount of money spent on each student, adequate staffing, and class size. In 1936 Professor Paul Mort of Columbia conducted his now famous studies on the cost-quality relationships in education. His work identified many factors which influence the quality of

education: the net expenditure per pupil, the average teacher's salary, the teacher to pupil ratio, and the specialist to pupil ratio. Several studies conducted by the New York State Department of Education reinforce these findings. In 1957 the State Department of Education conducted a comparison between what were considered the 12 universally good school districts and the 12 poorest. Modifying for IQ and social origin, researchers found that the 12 good districts spent 25 percent more per pupil, had higher tax rates, hired about five more professional staff per 1,000 pupils, and paid them in accordance with a better salary schedule, than did the poorer districts. The teachers in the quality districts were also more widely traveled, younger, better-trained, and were recruited from a wider area. This dynamic youth factor crops up in one study after another.

In 1961 Austin D. Swanson,also a professor at Columbia,conducted a national study on school costs vs. school quality. He too found that both higher salaries paid to teachers and the number of teachers per pupil had a positive effect on the quality of the child's school experience. Because both higher salaries and more teachers compete for the district's limited financial resources, Swanson dug further and concluded that higher teacher salaries do more to affect pupil learning than do the number of teachers employed. A more recent study in the Baltimore City Schools, conducted by Forno and Collins, found that when all other factors are held constant, pupils from small class size (1-25) made significantly greater gains in reading and arithmetic than pupils in larger classes.

A look at NEA statistics show just how badly this money is needed. The average starting salary for beginning teachers with a bachelor's degree in fall of 1969 was $6,300. A man with a bachelor's degree in engineering started at $9,400 and a liberal arts graduate at $8,600. The average teacher only earns $7,900 after 12 years in the classroom. Unbelievably, 150,000 teachers receive less than $5,500 a year. When compared with beginning salaries for men graduates in ten fields of specialization, teaching has not gained any competitive advantage since 1965. Can we really believe that such a situation will attract and retain the best of each year's college graduates?

NEA's General Aid bill, with approximately $3 billion channeled into teachers' salaries, would:

* Raise the average of the instructional staff salary in public elementary and secondary schools by $1,500 above increases from state and local efforts.

* Raise the starting salary of beginning teachers with the bachelor's degree from an estimated $6,300 in 1969-70 to an estimated $7,800 in 1969-70.

* Reduce the gap between starting salaries for bachelor's degree teachers and starting salaries for men bachelor's degree graduates in 11 other professional areas to about 20%. Without additional federal funds, the gap would probably remain at about 40%.

* Increase the beginning salary for master's degree teachers from an estimated $6,900 in 1969-70 to an estimated $8,400 in 1969-70.

Yet teachers' salaries are not the whole answer. The remainder of the federal funds could be used by the states in many critical areas. Urban schools, for example, are going through a special crisis. The President's Commission on Urban Education suggested $7-14 billion should be spent on urban education by 1974. The NEA estimates it will cost about $3 billion just to employ the additional teachers (285,900) required for a maximum class size of 25 pupils in elementary and secondary schools in big city schools. Money is also needed to provide minimum extension services in city schools to help bridge the gap between central cities and the suburbs. This could be done by extensions of the regular day-school program to provide for a longer day, a longer week, and a longer year.

Additional federal funds could also help provide adequate pre-school programs to many children. The importance of early childhood education has been repeatedly demonstrated in recent years by research studies and by Project Head Start. Effective early childhood programs can often obviate the necessity for expensive remedial education programs in later years. However --

* 34.6 percent of all U.S. first-graders last year did not have the opportunity to attend a public school kindergarten.

* Half of all U.S. public school systems with elementary grades have no kindergarten program.

* In 1968 fewer than 10 percent of the first-graders in the Southeastern states had the opportunity to attend a public school kindergarten. Almost one million American 5-year-olds each year in the Southeast alone are denied a chance for the educational boost of a good kindergarten. Alabama, Arkansas, Mississippi, South Carolina, and Idaho reported no public school kindergartens in the fall of 1968.

The NEA proposal of an eight billion dollar general federal aid bill is not an unrealistic one. The NEA goal, 33 percent federal partnership, would infuse $50 billion into public education. Many Congressmen aware of the drastic education needs see this as a more realistic figure. But the NEA bill is a start. It does two things and does them well. It leaves the control of education to the states and local communities, where it belongs, and puts the federal money where the need is, in the basic school operating budget.